



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-017]

Passenger Vehicle and Light Truck Tires from the People's Republic of China: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that certain producers/exporters of passenger vehicle and light truck tires (passenger tires) from the People's Republic of China (China) received countervailable subsidies during the period of review, January 1, 2018, through December 31, 2018.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Mary Kolberg, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1785.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Results* of the administrative review in the *Federal Register* on December 18, 2020.¹ We invited interested parties to comment on the *Preliminary Results*.

On January 19, 2021, we received a case brief and a letter in lieu of a case brief from Triangle Tyre Co., Ltd. (Triangle Tyre) and Qingdao Fullrun Tyre Tech Corp., Ltd. (Fullrun

¹ See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, Rescission in Part, and Intent to Rescind in Part; 2018*, 85 FR 82437 (December 18, 2020) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

Tyre), respectively.² On January 29, 2021, we received a rebuttal brief from United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers Union, AFL-CIO (collectively, the petitioner).³ For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.⁴

Scope of the Order.⁵

The products covered by the order are passenger tires from China. For a complete description of the scope of order, *see* the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in parties' briefs are addressed in the Issues and Decision Memorandum. A list of the issues addressed is attached to this notice as an appendix. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Methodology

Commerce conducted this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gave rise to a benefit to the recipient, and that the subsidy is specific.⁶ For a

² See Triangle Tyre's Letter, "Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Case Brief of Triangle Tyre Co., Ltd.," dated January 19, 2021; *see also* Fullrun Tyre Tech's Letter, "Passenger Vehicle and Light Truck Tires from China-Letter in Lieu of Case Brief," dated January 19, 2021.

³ See Petitioner's Letter, "Administrative Review of the Countervailing Duty Order on Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Petitioner's Rebuttal Brief," dated January 29, 2021.

⁴ See Memorandum, "Issues and Decision Memorandum for the Final Results of the 2018 Administrative Review of the Countervailing Duty Order of Passenger Vehicle and Light Truck Tires from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁵ See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 FR 47902 (August 10, 2015) (*CVD Order*).

⁶ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

full description of the methodology underlying our conclusions, *see* the Issues and Decision Memorandum.

Commerce notes that, in making these findings, it relied, in part, on facts otherwise available pursuant to section 776(a) of the Act, as well as adverse facts available pursuant to section 776(b) of the Act. For further information, *see* “Use of Facts Otherwise Available” in the Issues and Decision Memorandum.

Partial Rescission of Review

It is Commerce’s practice to rescind an administrative review of a countervailing duty order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended.⁷ Normally, upon completion of an administrative review, the suspended entries are liquidated at the countervailing duty assessment rate calculated for the review period.⁸ Therefore, for an administrative review of a company to be conducted, there must be a reviewable, suspended entry that Commerce can instruct CBP to liquidate at the calculated countervailing duty assessment rate calculated for the review period.⁹

According to the CBP import data, three of the six companies subject to this review, which were not chosen as mandatory respondents and which did not withdraw their review requests, did not have reviewable entries of subject merchandise during the POR for which liquidation is suspended.¹⁰ Because there is no evidence on the record to indicate that these companies had entries, exports, or sales of subject merchandise to the United States during the POR, pursuant to 19 CFR 351.213(d)(3), we are rescinding the review with respect to these companies. In the *Preliminary Results*, we also stated that we intended to rescind the

⁷ *See, e.g., Lightweight Thermal Paper from the People’s Republic of China: Notice of Rescission of Countervailing Duty Administrative Review; 2015, 82 FR 14349 (March 20, 2017); see also Circular Welded Carbon Quality Steel Pipe from the People’s Republic of China: Rescission of Countervailing Duty Administrative Review; 2017, 84 FR 14650 (April 11, 2019).*

⁸ *See* 19 CFR 351.212(b)(2).

⁹ *See* 19 CFR 351.213(d)(3).

¹⁰ These three companies are Hankook Tire China Co., Ltd.; Qingdao Fullrun Tech Tyre Corp., Ltd.; and Qingdao Powerich Tyre Co., Ltd.

administrative review with respect Qingdao Fullrun Tyre Tech Corp., Ltd. However, because Qingdao Fullrun Tyre Tech Corp., Ltd. did not request a review and was not identified in the *Initiation Notice*, we are not rescinding the review with respect to this company. Rather, we are rescinding the review with respect to Qingdao Fullrun Tech Tyre Corp., the company that requested a review, was named in the *Initiation Notice*, and for which we found no reviewable entries (*see* Comment 2 of the Issues and Decision Memorandum).

Companies Not Selected for Individual Review

To determine the rate for companies not selected for individual examination in administrative reviews, Commerce’s practice is to weight average the net subsidy rates for the selected mandatory companies, excluding rates that are zero, *de minimis*, or based entirely on facts available. In this review, we calculated rates based entirely on facts available for each of the mandatory respondents during the POR. In countervailing duty administrative reviews, where the number of respondents being individually examined has been limited, Commerce has determined that a “reasonable method” to determine the rate applicable to companies that were not individually examined when all the rates of selected mandatory respondents are zero, *de minimis*, or based entirely on adverse facts available is to assign to the non-selected respondents the average of the most recently determined rates that are not zero, *de minimis*, or based entirely on facts available.¹¹ However, if a non-selected respondent has its own calculated rate that is contemporaneous with or more recent than such previous rates, Commerce has found it appropriate to apply that calculated rate to the non-selected respondent, even when that rate is zero or *de minimis*.¹²

¹¹ *See, e.g., Circular Welded Carbon Steel Pipes and Tubes from Turkey: Final Results of Countervailing Duty Administrative Review; Calendar Year 2012 and Rescission of Countervailing Duty Administrative Review, in Part*, 79 FR 51140 (August 27, 2014); *see also Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea; Final Results of Countervailing Duty Administrative Review; 2012*, 79 FR 46770 (August 11, 2014), and accompanying Issues and Decision Memorandum at “Non-Selected Rate.”

¹² *Id.*

With regard to the three remaining non-selected companies, which have no prior individual rates from prior segments, we are assigning the rate of 20.05 percent *ad valorem*, which is the average of the above-*de minimis* rates calculated in the last review.

Final Results of Review

We determine the following net countervailable subsidy rates for the period January 1, 2018, through December 31, 2018:

Producers/Exporters¹³	Subsidy Rate (percent <i>ad valorem</i>)
Shandong Duratti Rubber Corporation Co., Ltd.	116.50
Shandong Longyue Rubber Co. Ltd.	116.50
Shandong Anchi Tyre Co., Ltd.	116.50
Triangle Tyre Co. Ltd.	116.50

Review-Specific Average Rate Applicable to the Following Companies	Subsidy Rate (percent <i>ad valorem</i>)
Jiangsu Hankook Tire Co., Ltd.	20.05
Qingdao Fullrun Tyre Corp., Ltd	20.05
Shandong Province Sanli Tire Manufactured Co., Ltd.	20.05

Assessment and Cash Deposit Requirements

Consistent with section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), upon issuance of these final results, Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. For the companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2018, through December 31, 2018, in accordance with 19 CFR 351.212(c)(1)(i). We intend to issue instructions to CBP no earlier than 35 days after

¹³ We are not disclosing any final calculations as we did make any revisions to the preliminary AFA calculations in connection with the final results of this review. See Preliminary Decision Memorandum at 18-20.

publication of the final results of this review. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown above for the respective companies listed above with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

These final results of this review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: April 16, 2021

Christian Marsh,
Acting Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Rescission of the Administrative Review, in Part
- V. Rate for Non-Selected Companies Under Review
- VI. Use of Facts Otherwise Available and Application of Adverse Inferences
- VII. Analysis of Comments
 - Comment 1: Whether the Application of Adverse Facts Available to Triangle Tyre Co., Ltd. was Lawful
 - Comment 2: Whether Commerce Should Rescind the Review with Respect to Qingdao Fullrun Tyre Tech Corp., Ltd.
- VIII. Recommendation

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